USDA Rural Development

Sustaining Relationships in Indian Country







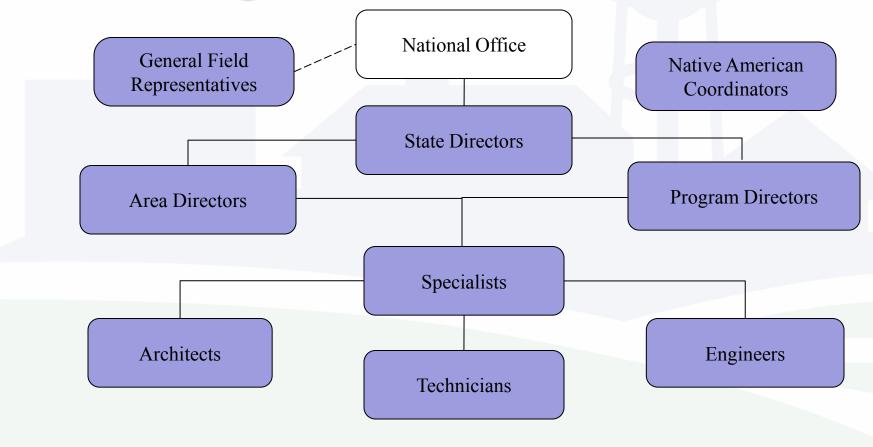






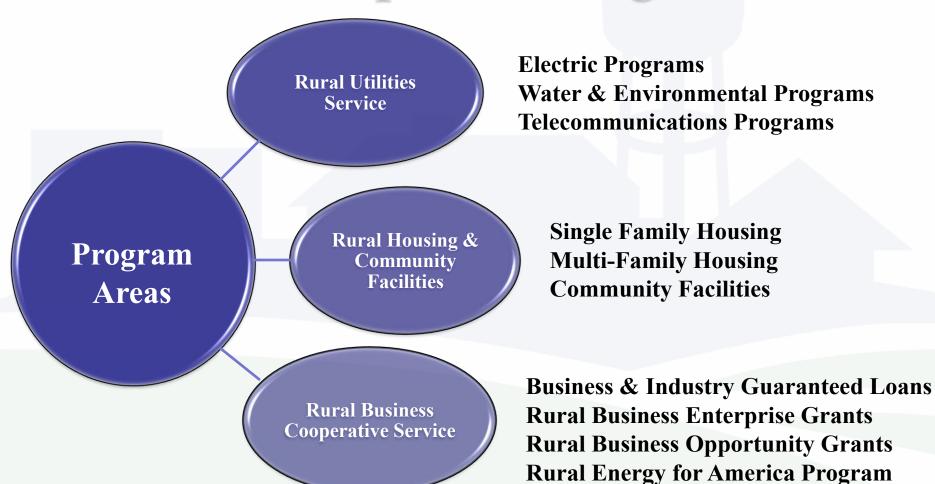


USDA Rural Development Organizational Structure



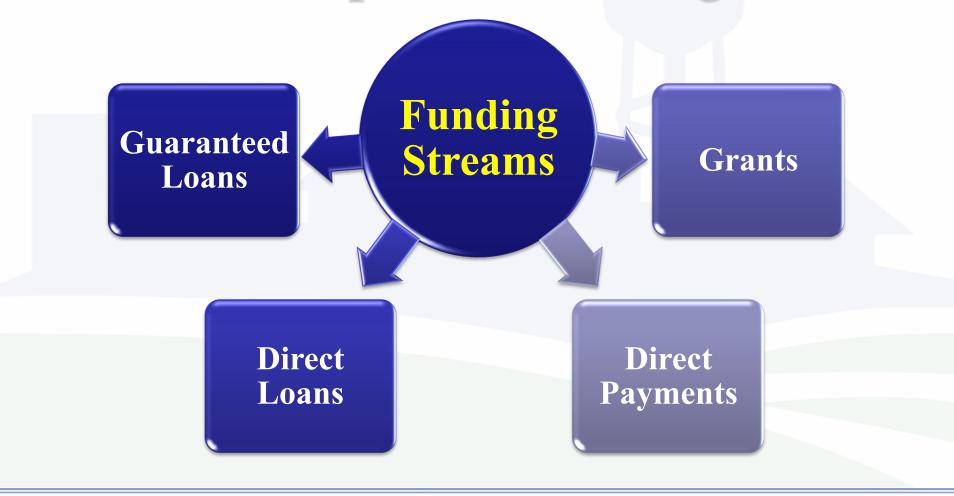


Rural Development Program Areas





Rural Development Funding Streams





Rural Energy for America Program

Purpose: The Section 9007 Grant Program provides grants for <u>agricultural producers</u> and <u>rural small businesses</u> to purchase and install renewable energy systems and make energy efficiency improvements.

- Grants and Guaranteed Loans
- Grants can be used to pay up to 25% of total project costs
- \$500,000 limit for renewable energy systems and \$250,000 limit for energy efficiency improvements
 - Applications are due March 30th for grants
 - Applications are due June 29th for loan guarantees
- <u>Energy Audit</u> and <u>Feasibility Study</u> grants are also available
 - Applications are due 2/21 (EA) and 3/30 (FS)
- NOFA Published 1/20/12
 - Never too early to contact our staff!





Rural Energy for America Program

Expanded definition of Rural Small Businesses for Tribes

These entities must operate independent of direct Government control except for Tribal business entities formed as <u>Section 17</u> <u>Corporations</u> as determined by the Secretary of the Interior <u>or other Tribal business entities that have similar structures and relationships with their Tribal governments</u> as determined by the Agency. The Agency shall determine the small business status of such a Tribal entity without regard to the resources of the Tribal government.

- Tribal electric utilities are eligible
- REAP Interim Final Rule (4/14/11)
- FY 2012 ~ \$12.5 million (grants)
- FY 2012 ~ \$48.5 million (loan guarantees)



Rural Business Enterprise Grants

"RBEG" Purpose: To finance & facilitate development of small & emerging private business enterprises.

- Rural Areas = 50,000 or less
- Tribes are eligible applicants
 - Grants don't go directly to for-profit businesses!
- **FY 2012 = \$3,230,955** (legislative mandate for Tribes)
 - \$21.5 Million = regular program (Tribes are eligible)

www.rurdev.usda.gov/BCP rbeg.html



Rural Business Opportunity Grants

"RBOG" Purpose: To promote sustainable economic development in rural communities with exceptional needs, by making grants for economic planning in rural communities, technical assistance for rural businesses, or training for rural entrepreneurs or economic development officials.

- Rural Areas = 50,000 or less
- Tribes are eligible applicants
 - Grants don't go directly to businesses!
- **FY 2012 = \$1,141,610** (legislative mandate for Tribes)
 - Regular program An additional \$1.295 Million (Tribes are eligible)

www.rurdev.usda.gov/BCP RBOG.html



Business & Industry Loan Guarantees

"B&I" Purpose: To improve, develop or finance business, industry & employment and improve the economic & environmental climate in rural communities.

- Rural = 50,000 or less
- Tribes are eligible applicants
 - Tribally owned businesses are eligible
 - Businesses owned by tribal members are eligible
- Most loan guarantees are \$10 million or less
- 80% Maximum Guarantee (with certain exceptions)
- FY 12 = \$870.9 million available

www.rurdev.usda.gov/BCP gar.html



Rural Economic Development Loans & Grants

"REDLG" Purpose: The REDLG program provides funding to rural projects through <u>local utility organizations</u>.

- Tribes are not directly eligible
 - A utility that is a current (or past) RD Electric or Telecom Program Borrower
 - Not-for-profit utilities that are eligible to receive assistance from the RD Electric or Telecom Programs
- Zero interest loans to local utilities which they, in turn, pass through to local businesses projects that will create & retain employment.
- Grant funds used to establish revolving loan funds.

www.rurdev.usda.gov/BCP redlg.html



Electric Programs

Electric Loans

- FY12 ~\$7 Billion

High Energy Cost Grant Program

- FY12 ~ \$7 million
- Timing TBD

Contact:

- General Field Representatives
- National Office

Additional information:

www.rurdev.usda.gov/UEP_HomePage.html







High Energy Cost Grant Program

The High Energy Cost Grant Program provides financial assistance for the improvement of energy generation, transmission, and distribution facilities serving eligible rural communities with home energy costs that are over 275% of the national average.



Eligibility

To be eligible to receive a grant under this program:

- Eligible applicants include: Indian tribes, a tribally owned entity or an Alaska Native Corporation
- The proposed project must improve energy generation, transmission, or distribution facilities serving an eligible community
- The administrative costs of the project must not exceed 4 percent



Substantially Underserved Trust Areas (SUTA) Provision

- Section 6105 of the 2008 Farm Bill
- Affects RUS Programs Only
- Extensive Tribal Consultation Process
- Proposed Rule Published October 14, 2011
- Comment Period Closed January 17, 2012
- Drafting Final Rule now
- Will publish Final Rule in the next few months





SUTA Provision (continued)

- RUS may make loans with interest as low as 2 percent and/or with extended repayment terms
- RUS may waive non-duplication restrictions, matching fund requirements, or credit support requirements from any loan or grant program administered by RUS to facilitate construction, acquisition or improvements of infrastructure
- RUS may give highest priority for projects in SUTA
- RUS shall only make loans that are financially feasible
- Can request SUTA consideration under Farm Bill Broadband Loan Program Interim Final Rule – Consideration for SUTA benefits under other RUS programs (Electric, Water, Telecom Loan Program and DLT) is on hold until final rule is published.





Contact information

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www.rurdev.usda.gov/AI_ANHome.html

RD Energy Programs: www.rurdev.usda.gov/Energy.html
RD Energy Coordinators:

www.rurdev.usda.gov/BCP Energy CoordinatorList.html

Native American Coordinators:

www.rurdev.usda.gov/AI ANCoordinators.html

